
Finance Committee

HB 2976

Brief Description: Including public-owned easements in the acreage requirements of the open space taxation act.

Sponsors: Representatives Orcutt, Wallace, Herrera, Probst, McCune, Klippert, Warnick and Johnson.

Brief Summary of Bill

- Includes public easements in the acreage calculation for the current use program for farm and agricultural lands and timber lands.

Hearing Date: 1/29/10

Staff: Susan Howson (786-7142).

Background:

Most property is valued or assessed at its true and fair, or highest and best, value for purposes of imposing property taxes. However, the state Constitution allows the Legislature to enact legislation assessing certain types of real property at its present or current use for purposes of imposing property taxes. The Open Space Taxation Act, enacted in 1970, allows property owners to have their open space, farm and agricultural, and timber lands valued at their current use rather than at their highest and best use. Qualification for the current use program is a function of the size of the parcel and in some cases income or use requirements.

Farm and agricultural lands must be devoted primarily to commercial agricultural purposes. To qualify for classification as farm and agricultural land, land of less than 20 acres must meet income tests for three of the previous five years. Farm parcels less than five acres must generate \$1,500 in farm gross income, and farm parcels of between five and 20 acres must generate \$200 per acre. Also qualifying, is any parcel of land that is 20 or more acres, or multiple parcels of land that are contiguous and total 20 or more acres, and are: (1) devoted primarily to the production of livestock or agricultural commodities for commercial purposes; and (2) enrolled in

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the federal conservation reserve program or its successor administered by the United States Department of Agriculture.

Timber land must be devoted primarily to the growth and harvest of timber for commercial purposes. Timber land that is five or more acres, or multiple parcels of land that are contiguous and total five or more acres, qualify for the current use program.

Summary of Bill:

Public easements must be included in the acreage calculation under the current use program if the public easement is located adjacent to land that meets the requirements of farm and agricultural land or timber land.

The legislation applies to taxes levied for collection beginning in 2011 and thereafter.

Appropriation: None.

Fiscal Note: Preliminary fiscal note available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.